

Appendix A to By-law 2026-xx

Development Charge Deferral Policy

Purpose

A Policy governing the deferral of Development Charges (D.C.s) for the following developments:

- non-residential and mixed-use development that generate employment and meet the criteria set out in this Policy; and
- residential development that meets affordability criteria set out in this Policy (note: this would exclude residential development that meets the definition of affordable under the *Development Charges Act*, which are exempt from D.C.s).

Note: this policy provides for discretionary D.C. deferrals and is distinct from the mandatory D.C. deferrals required under the *Development Charges Act*.

Policy Principles

To encourage the following:

- employment opportunities by incentivising mixed-use and non-residential developments within the Township of Centre Wellington; and .
- development of affordable housing.

Legislative Requirements

The Township is permitted to enter into deferral agreements pursuant to section 27(1) of the *Development Charges Act, 1997* which states: “a municipality may enter into an agreement with a person who is required to pay a development charge providing for all or any part of a development charge to be paid before or after it would otherwise be payable.”

This policy was prepared in accordance with the *Development Charges Act, 1997* as amended.



Definitions

For the purpose of this policy the following definitions have been provided:

Act: The *Development Charges Act, 1997*, S.O. 1997, c. 27, as amended, revised, re-enacted or consolidated from time to time, and any successor statute.

Committee: Development Charges Deferral Committee.

Development Charges Deferral Committee: A committee consisting of the Township's Chief Administrative Officer, Treasurer, and Manager and Director of Planning and Development.

Development: The construction, erection or placing of one or more buildings or structures on land, or the making of an addition or alteration to a building or structure that has the effect of substantially increasing the size or usability thereof and includes redevelopment.

Mixed-use: means land, buildings or structures used, designed. or intended for use, for a combination of non-residential and residential uses.

Non-residential use: means a building or structure of any kind whatsoever used, designed or intended to be used for other than a residential use and includes wind turbines.

Occupancy: means the earlier of the issuance of an occupancy permit or the day the building is first occupied, as determined at the sole and absolute discretion of the Township.

Residential-use: means the use of a building or structure or portion thereof for one or more dwelling units. This also includes a dwelling unit on land that is used for an agricultural use.

Township: The Corporation of the Township of Centre Wellington

Delegated Authority

The Managing Director of Corporate Services and Treasurer holds delegated authority to enter into a deferral agreement with an applicant.



Policy:

1. Policy Initiation

Any developer/applicant wishing to defer development charges based on the parameters set out in this Policy may initiate the process in either of the following ways:

1. During the development application process, the developer/applicant may fill out the development charges deferral request form and provide all application documents.
2. Subsequent to a discussion with Township staff indicating the desire for deferred development charges, the developer/applicant may provide all application documents to the Township.

2. Application Documents

A developer/applicant must provide the following application documents:

1. Development application
2. Deferral letter

The deferral letter must outline the details of the intended development, how the development meets the requirements to be eligible for a deferral under this Policy, and a request for the deferral. A deferral letter template is appended to this policy as amended, revised, re-enacted, or consolidated from time to time.

3. Screening of Deferral Applications

Developers/applicants who submitted the required application documents to the Township will have their application reviewed by the Township's Development Charges Deferral Committee (Committee). A decision to approve or deny the application will be made by the Committee based on the eligibility criteria and details of the proposed development.

The Committee will require the following to screen and process the request:



1. Evidence of compliance with eligibility criteria; and
2. All application documents.

If the development is deemed eligible for the development charges deferral, the Committee will determine the deferral amount and the duration of the deferral.

In the event that the applicant is not satisfied with the result of their deferral request, the applicant may appear before Council and appeal the Committee's decision through a delegation. Council will give the applicant an opportunity to make representation why the deferral request should be considered. At such time, Council may either dismiss or confirm the deferral request. Determination of strategic and significant direct economic benefit from the deferral is at the discretion of Council.

Council's decision is final and binding.

4. Development Charges Deferral Agreement

Any developer/applicant wishing to defer development charges through this Policy must enter into a Development Charges Deferral Agreement with the Township if approved by the Committee.

The developer/applicant shall only qualify to enter into a Development Charges Deferral Agreement if they have submitted a complete development application as determined by the Township, for the construction of the proposed development.

A Development Charges Deferral Agreement shall only be executed by the Township, provided that the developer/applicant can immediately, upon execution of the agreement, attain building permit issuance by the Township.

5. Development Charges Rates

The development charge rate shall be the amount determined under the applicable development charges by-law on:

- 5.1 The day that the building permit is issued for the construction of the development by the Township if an application for approval of development in a site plan control area under subsection 41(4) of the *Planning Act* or an application for an amendment to a by-law passed under section 34 of the *Planning Act* was



submitted prior to January 1, 2020 when Section 8 of Schedule 3 of Bill 108 *More Homes, More Choice Act*, 2019 was proclaimed.

5.2 The day an application for an approval of development in a site plan control area under subsection 41 (4) of the *Planning Act* was made in respect of the development that is the subject of the development charges or if an application for an approval of development in a site plan control area under subsection 41 (4) of the *Planning Act* does not apply, the day an application for an amendment to a by-law passed under section 34 of the *Planning Act* was made in respect of the development that is the subject of the development charges if either application was submitted after January 1, 2020 when Section 8 of Schedule 3 of Bill 108, *More Homes, More Choice Act*, 2019 was proclaimed.

5.3 If Section 5.1 or 5.2 does not apply to the development that is seeking to defer development charges after January 1, 2020 when Section 8 of Schedule 3 of Bill 108, *More Homes, More Choice Act*, 2019 was proclaimed, the development charges rate is determined on the day the development charges are payable in accordance with Section 26 of the Act.

6. Development Charges Payable

The amount of the development charges payable to the Township, as required under the Act, shall be based on the rates determined under section 5 of this policy, "Development Charges Rates" which shall be determined on the day that the developer/applicant enters into a Development Charges Deferral Agreement with the Township.

Once the deferral period has expired, the developer/applicant will be given notice of the requirement of payment and will be given ten (10) days to provide payment in the form of certified cheque to the Township. If a certified cheque is not received, the unpaid development charges will be put onto the tax bill of the owner of the property on the tax roll.

7. Unpaid Development Charges

If any development charges are unpaid within ten (10) business days immediately following notification of a trigger event identified in the specifics of this policy, or within ten (10) business days immediately following notification of the expiration of



the development charge deferral timeframe when payment has not been made, those development charges shall be added to the tax roll and collected in the same manner as taxes (in accordance with section 32 of the Act).

8. Fees

The Township will not impose a development charges deferral application fee.

9. Roles and Responsibilities

Development Charges Deferral Committee:

- Maintain administrative authority and responsibility for this policy;
- Approves department operating procedures and processes under this policy;
- Responsible for the administration of this policy, including assisting stakeholders in determining if they qualify for the policy, the duration of deferrals, the development charges rates to be applied, the development charges payable, and the determination of trigger events; and
- Responsible to approve or deny all applications submitted under this policy.

Treasurer:

- Responsible for the enforcement of this policy and the collection of all development charges when due;
- Monitor timing of payment in order to ensure compliance with section 9 “Development Charges Payable” of the policy;
- Issue notification of a trigger event;
- Issue notification of the requirement of payment;
- Add charges to the tax roll if development charges are not paid/received within the prescribed timeframe;
- Undertake any additional administrative obligations determined through the agreements; and
- Maintain copies of all executed deferral agreements and other agreements as required.

Legal Services:



- At the request and discretion of the Committee, assist in the drafting, review and interpreting any Agreements that are required as a part of this policy to protect the legal interests of the Township pertaining to the deferral of development charges.

10. Compliance

Immediately upon the occurrence of any trigger events identified in this policy, the Treasurer shall notify the owner of the property on the tax roll that development charges are due within ten (10) business days, the timing of which shall begin with the mailing, by registered mail, of notice.

11. Monitoring and Contraventions of the Policy

The Manager and Director of Development shall monitor all development applications, to ensure that the development application date is accurate and communicated to the Committee.

The Committee shall ensure that this policy is being administered correctly.

The Treasurer shall ensure the correct amount of development charges are collected when due.



Schedule 1

Non-Residential and Mixed-Use Deferral Policy Details

Scope

Available to non-residential and mixed-use developments that generate employment in the Township of Centre Wellington. Based on the type of development, there are two (2) types of deferral agreements that comprise this policy:

- Level 1 Deferral (applied to non-residential component of mixed-use development): D.C.s deferred until occupancy permit.
- Level 2 Deferral (applied to non-residential development): D.C.s shall be paid in equal installments beginning on the date of the issuance of a building permit, and continuing on the following five (5) anniversaries of that date.

Eligibility Criteria

- Level 1: any non-residential portion of a mixed-use development.
- Level 2: Non-residential development that, subject entirely to the discretion of the Township, meets one or more of the following criteria:
 - i. Expansion/construction of commercial, industrial/employment, or value-added agricultural/agribusiness building space;
 - ii. Major rehabilitation, upgrading and/or expansion of an existing non-residential building;
 - iii. Development that facilitates local Centre Wellington businesses requiring expansion or relocation;
 - iv. Attraction of businesses and identified target industries from outside of Centre Wellington:
 - Food and beverage manufacturing
 - Equipment, metal working and machinery manufacturing
 - Organic and medical-chemical manufacturing



- Professional services
- Information and cultural industries

v. Other major building projects that create a significant number of jobs and/or meet multiple goals of the Township

Deferral Level

The Committee will determine the duration of the deferral based on the following parameters:

1. Level 1 Deferral: Mixed-use development
2. Level 2 Deferral: Employment-generating non-residential use development where the development meets one or more of the eligibility criteria noted above, subject entirely to the discretion of the Township.

Duration of Deferral

Where an application is approved by the Committee and deemed as a Level 1 Deferral, the development charges deferral period shall begin the day the first building permit is issued by the Township and deferred until building occupancy or five years after building permit issuance, whichever is earlier.

Where an application is approved by the Committee and deemed as a Level 2 Deferral, the development charges shall be paid in equal installments beginning on the date of the issuance of a building permit, and continuing on the following five (5) anniversaries of that date.

Development charges shall be payable, in full, prior to the timeframes indicated above, should any of the following trigger events occur:

1. Change of use of the development where the development no longer meets the eligibility of a Level 1 or Level 2 deferral;
2. Sale, or transfer of ownership of the property, unless an assumption agreement is entered into; or
3. Any other material default as defined in the agreement.



Notification to the owner of the property listed on the tax roll shall occur immediately after the trigger event.



Schedule 2

Affordable Housing Deferral Policy Details

Scope

Available to residential developments that meet the affordability criteria set out within this Policy.

Eligibility Criteria

The *Development Charges Act* exempts affordable owned residential development that meets the following criteria:

- “1. *The price of the residential unit is not greater than the lesser of,*
 - i. The income-based affordable purchase price for the residential unit set out in the Affordable Residential Units bulletin, as identified by the Minister of Municipal Affairs and Housing, and*
 - ii. 90 per cent of the average purchase price identified for the residential unit set out in the Affordable Residential Units bulletin.*
- 2. The residential unit is sold to a person who is dealing at arm’s length with the seller.”*

Residential units that do not meet the above definition, but are within 20% of the income-based affordable purchase price as set out in the Affordable Residential Units bulletin, as of the date the application is made, are eligible for a D.C. deferral under this Policy.

Duration of Deferral

Where an application is approved by the Committee and to be eligible for a deferral, the development charges shall be paid in equal installments beginning on the earlier of the dates of the issuance of a permit under the *Building Code Act*, 1992 authorizing occupation of the building and the date the building is first occupied, and continuing on the following five (5) anniversaries of that date.



Development charges shall be payable, in full, prior to the timeframes indicated above, should any of the following trigger events occur:

1. Change of use of the development where the development no longer meets the eligibility criteria set out above;
2. Sale, or transfer of ownership of the property, unless an assumption agreement is entered into; or
3. Any other material default as defined in the agreement.

Notification to the owner of the property listed on the tax roll shall occur immediately after the trigger event.



Schedule 3

Deferral Letter Template

THIS DEVELOPMENT CHARGE LATE PAYMENT made this XXth day of XXmonthXX 20XX pursuant to section 27 of the Development Charges Act, 1997, as amended (the "Act")

BETWEEN:

**THE CORPORATION OF THE TOWNSHIP
OF CENTRE WELLINGTON**
(herein called the "Township")

PARTY OF THE FIRST PART

and

[ENTER REGISTERED OWNERS NAME (from PIN Sheet)]
(herein called the "Applicant")

PARTIES OF THE SECOND PART

WHEREAS:

- a. The Applicant has applied for a building permit for a new building at [Enter Legal Address] (the "Site") and is the owner of the property described in Schedule "A" to this Agreement; and,
- b. The Township's Development Charges By-law No. 2026-XX is applicable to the lands and development charges thereunder are payable by the Applicant in accordance with the Development Charges Act, 1997, S.O. 1997, c.27; and,
- c. The Development Charges Act, 1997 provides that a municipality may enter into an agreement with persons who are required to pay a development charge providing for all or a portion of the development charge to be paid on a date later than it would otherwise be payable;

NOW THEREFORE IN CONSIDERATION of the premises and the mutual covenants herein contained the Parties agree:

1. The Applicant acknowledges that development on the site will require the payment of development charges in accordance with section 26 of the Development Charges Act, 1997. The Applicant also acknowledges that this Agreement is an agreement made pursuant to Section 27 of the Development



Charges Act, 1997, which provides for the payment of development charges on a date or dates later than otherwise required.

2. The Applicant hereby covenants and agrees that the total amount of development charges owing to the Township at the time of execution of this agreement is **\$xx** and that it shall make payment of the development charges owing to the Township in accordance with the following schedule:
 - a. Payment No. 1 Due **[Enter Date ie December 20, 2026]** in the amount of **\$XX,XXX.XX**
 - b. Payment No. 2 Due **[Enter Date ie December 20, 2027]** in the amount of **\$XX,XXX.XX**
 - c. Payment No. 3 Due **[Enter Date ie December 20, 2028]** in the amount of **\$XX,XXX.XX**
 - d. Payment No. 4 Due **[Enter Date ie December 20, 2029]** in the amount of **\$XX,XXX.XX**
 - e. Payment No. 5 Due **[Enter Date ie December 20, 2030]** in the amount of **\$XX,XXX.XX**
3. The Applicant and the Municipality hereby acknowledge that, notwithstanding the later date for payment, the amount of development charges will not be increased and interest will not be applied.
4. The Municipality hereby acknowledges that payment of development charges by the Applicant in the manner set out above will completely discharge the Applicant's obligations and that it will not be required to make any further development charge payments in the event of any indexing, revisions or amendments thereto and notwithstanding the enactment of any successor development charge by-laws.
5. This agreement replaces any previous Section 27 agreement regarding the subject land.
6. This Agreement will be registered on title to the subject land, if such registration is permitted by the Land Registry Office (LRO). In the event that registration is not permitted by the LRO, the agreement will remain in full force and effect. The Applicant shall be obliged to bring the agreement to the attention of any purchaser, and to obtain the purchaser's explicit acknowledgement of the outstanding Development Charge liability.

This agreement shall enure to the benefit of and shall be binding upon each of the parties and their respective heirs, executors, administrators, successors and assigns.



IN WITNESS WHEREOF the parties have hereunto set their hands and seals or where applicable have caused to be affixed their corporate seals under the hands of their duly authorized officers in that behalf;

**THE CORPORATION OF THE
TOWNSHIP OF CENTRE WELLINGTON**

Adam McNabb, Managing Director of Corporate Services and
Treasurer

I have authority to bind the Corporation

SIGNED, SEALED AND DELIVERED

In the presence of:

[ENTER LEGAL REGISTERED OWNER]

Name, Position

I have authority to bind the Corporation



SCHEDULE "A"

DESCRIPTION OF LANDS

ENTER IN LEGAL DESCRIPTION AS IT APPEARS ON PIN SHEET

PIN XXXXX-XX (LT)